

The scenario continues. Dave and Valerie Jenkins are married and file a joint tax return. Their modified adjusted gross income from Form 1040, line 35, is \$84,000. Their tax before credits on line 43 is \$10,625. Line 3 of their Form 8863 indicates that their tentative Hope credit is \$1,500; their tentative lifetime learning credit in line 7 is \$444. They are not claiming any other credits on lines 44 through 46 of their Form 1040.

Scroll down to calculate their total education credits.

Without closing the PDF window, return to the lesson screen and click Check My Answer.

Part III Allowable Education Credits

| | | | | |
|----|--|----|---|---|
| 8 | Tentative education credits. Add lines 3 and 7 | 8 | | |
| 9 | Enter: \$103,000 if married filing jointly; \$51,000 if single, head of household, or qualifying widow(er) | 9 | | |
| 10 | Enter the amount from Form 1040, line 35*, or Form 1040A, line 22 | 10 | | |
| 11 | Subtract line 10 from line 9. If zero or less, stop ; you cannot take any education credits | 11 | | |
| 12 | Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) | 12 | | |
| 13 | If line 11 is equal to or more than line 12, enter the amount from line 8 on line 14 and go to line 15. If line 11 is less than line 12, divide line 11 by line 12. Enter the result as a decimal (rounded to at least three places) | 13 | × | . |
| 14 | Multiply line 8 by line 13 ► | 14 | | |
| 15 | Enter the amount from Form 1040, line 43, or Form 1040A, line 28 | 15 | | |
| 16 | Enter the total, if any, of your credits from Form 1040, lines 44 through 46, or Form 1040A, lines 29 and 30 | 16 | | |
| 17 | Subtract line 16 from line 15. If zero or less, stop ; you cannot take any education credits ► | 17 | | |
| 18 | Education credits. Enter the smaller of line 14 or line 17 here and on Form 1040, line 47, or Form 1040A, line 31 ► | 18 | | |